To: California Air Resources Board

From: SCS Global Services

Public Comment to California Air Resources Board Implementation of California Climate-Disclosure Legislation: Senate Bills 253 and 261, as amended by SB 219

Date: September 10, 2025

Thank you for the opportunity to provide comments related to the implementation of California Climate-Disclosure Legislation: Senate Bills 253 and 261, as amended by SB 219. The following comments are submitted on behalf of SCS Global Services.

I. Background

SCS Global Services (SCS) is a California chartered benefit corporation committed to social and environmental impact, with an unwavering commitment to scientific rigor, credibility, and transparency. From establishing robust standards and metrics to delivering third-party certification and assurance services, SCS is working to advance sustainability. In California, SCS provides multiple climate-related services, including MRR validation and verification (AB 32), carbon offset verification under the California Cap-and-Trade Program, LCFS validation and verification, EPD preparation under the Buy Clean California Act (AB 262), Scope 1-3 organizational GHGs emission inventory verification, and organizational (ESG) sustainability report assurance.

II. Responses to CARB Virtual Public Workshop held on August 21, 2025

General: Standards in Regulation

a. CARB has identified the "When" SB253: Timing of Scope 1 and 2 Reporting in 2026 to be proposed as June 30, 2026

CARB has proposed June 30, 2026 as the deadline for Scope 1 and 2 emissions reporting under SB 253. As a verification body and assurance provider with over 40 years of experience in third-party verification, we recognize the importance of establishing a clear timeline for compliance. However, we respectfully recommend that CARB reconsider the proposed June 30 deadline and instead align it with existing regulatory and voluntary climate disclosure schedules. Entities already reporting under CARB's Mandatory Reporting Regulation (MRR) face an August 10 verification deadline, while voluntary frameworks such as CDP typically require submissions in September. Aligning SB 253 with these established timelines would reduce administrative burden, improve consistency across disclosures, and allow for more efficient use of resources by both reporting entities and assurance providers.

We also emphasize the complexity and time required for organizations to collect, calculate, and prepare their emissions inventories. The verification process itself even under limited assurance engagements, demands a high level of rigor and time investment, and as the market prepares for the introduction of reasonable assurance requirements, it is critical that CARB provide sufficient time for corrective actions and refinements to ensure accurate and credible reporting. A more integrated timeline would support the broader goal of enabling high-quality disclosures that contribute meaningfully to California's climate leadership and global climate action.

We would also recommend the adoption of an extended deadline as approved by CARB for scenarios when a company may be close to closing out their report disclosure but request additional time. Particularly in the first iterations of the Regulation. We believe this will support the volume of organizations required to disclose and the current existing market of verification bodies, in a manner that supports the intention of the legislation report.

b. Skills and Responsibilities of an Effective CARB-Accredited Verifier

We support CARB's intention to select assurance providers who demonstrate independence, objectivity, integrity, and rigor. To reinforce these principles, we urge CARB to require that verification bodies be accredited by nationally recognized organizations such as the ANSI National Accreditation Board (ANAB) or similar entities under the International Accreditation Forum (IAF). Accreditation ensures that verification bodies maintain impartiality and implement robust conflict of interest controls, which are essential to the credibility of the assurance process. This approach would also eliminate the need for the mandatory rotation of verification bodies, as accredited entities are already subject to third-party oversight and quality control.

If CARB does choose to implement a rotation policy, we recommend aligning it with the six-year cycle currently used under the MRR program. Additionally, we suggest CARB considers a grace period or transitional provision for entities already engaged in MRR verification cycles, as their existing engagements may not align with SB 253 requirements.

III. Additional Public Comment as relates to California Climate Disclosure Legislation SB 253

a. Integrating other regulatory and voluntary standards into the California Climate-Disclosure Legislation

As a verification body working with clients across diverse industries and reporting frameworks, we see that it is essential for CARB to support entities that already participate in voluntary climate disclosures. While SB 253 emphasizes the use of the GHG Protocol, we encourage CARB to recognize and integrate other credible frameworks that align with or have informed the GHG Protocol, such as ISO 14064-1, The Climate Registry, and B Lab. These methodologies are widely used and offer robust approaches to emissions accounting.

We also recommend that CARB establish a more fluid integration between SB 253 and existing California regulations, including the Mandatory Reporting Regulation and the Low Carbon Fuel Standard (LCFS). Many entities subject to SB 253 are already reporting under these programs, and

harmonizing requirements would reduce duplication, improve data consistency, and streamline compliance efforts.

b. CA 253 Reporting Timeline Flexibility

As a verification body and assurance provider, we recommend that CARB consider allowing organizations to apply for an extended reporting deadline under specific circumstances, particularly during the initial implementation phase of SB 253. We recognize that many entities may be close to completing their emissions disclosures but require additional time to finalize their reports with the necessary accuracy and rigor. Establishing a formal mechanism for requesting deadline extensions would help accommodate the large volume of organizations subject to the regulation and ensure that disclosures meet the intended standards of completeness and credibility.

This flexibility would also support the current capacity of the verification market, which is expected to experience significant demand as limited assurance becomes mandatory. Providing additional time for reporting entities to complete their disclosures and for verification bodies to conduct assurance engagements would help maintain the integrity of the reporting process and reinforce the broader goals of SB 253. We believe this approach is especially important during the first reporting cycles, when both reporters and assurance providers are adapting to new requirements and operational challenges.

We encourage CARB to establish clear criteria and procedures for requesting deadline extensions, including documentation requirements and timelines for review and approval. Doing so would promote transparency, fairness, and consistency, while maintaining momentum toward high-quality climate disclosure across California.

c. Response to Input for Scope 3 Emissions Accounting and Materiality

In response to CARB's request for input on Scope 3 emissions accounting, we recognize both the importance and the complexity of Scope 3 reporting. These emissions often represent the largest share of an organization's greenhouse gas footprint, yet they are the most difficult to quantify due to data limitations and the intricacies of value chain activities.

While the GHG Protocol's Corporate Value Chain Standard provides a strong foundation, additional clarity is needed to ensure consistent application across industries. We encourage CARB to define materiality in a way that supports both meaningful disclosure and effective assurance. This should include clear principles or thresholds to help entities determine which Scope 3 categories must be reported and the level at which they should be verified. Materiality is especially critical in the context of limited assurance, where assurance providers must assess whether reported emissions are free from material misstatement. Without defined criteria, assurance outcomes may vary significantly across entities.

We also recommend that CARB clarify expectations around data quality, estimation methods, and documentation for categories deemed immaterial. Sector-specific guidance would further support consistent and credible reporting practices.

Finally, we would like to highlight the increased time and resource commitment required for Scope 3 reporting, both from inventory management and assurance perspectives. We encourage CARB to implement Scope 3 requirements in a way that is both impactful and practical, supporting the broader goals of climate legislation while allowing entities and assurance providers to build capacity and adapt effectively.